



Asiaray Revenue in 2021 Surges 46.8% to HKD2,285.1 Million Gross Profit Rises Further to HKD431.8 Million

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Exceed the Expertise by Offering Pioneering O&O New Media Strategy to the Expanding Clientele and Diversifying Business Portfolio

(Hong Kong, 28 March 2022) – **Asiaray Media Group Limited** (“Asiaray” or the “Group”; stock code: 1993), an outstanding out-of-home (“OOH”) media company with a strategic focus on mega transport advertising media management, including airport, metro line and high-speed rail line, has announced its annual results for the financial year ended 31 December 2021 (the “Year”).

The COVID-19 pandemic has continued to evolve during the past year, creating uncertainties and challenges, which in turn has affected the global economic recovery. Amid such business environment, the Group maintained a healthy financial position with cash and cash equivalents and bank deposits amounting to HKD418.9 million, achieving its 8th consecutive year of net cash position. Leveraging its established customer base and diversified media resources, the Group recorded a 46.8% rise in total revenue to HKD2,285.1 million, while the combine revenue (includes consolidated revenue and revenue from all associated companies) was HKD3,182.6 million, up 43.9%. Gross profit amounted to HKD431.8 million, while the gross profit margin was 18.9%. Earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled HKD1,273.0 million. Due to the investments made in securing new projects, which were still at a ramp-up stage, the Group incurred a net loss of HKD146.1 million for the Year. Compared to the loss of HKD113.7 million of the six months ended 30 June 2021, the overall business performance of the Group has been improved significantly in the second half of the Year, bringing a gleam of hope for comprehensive recovery.

Mr. Vincent Lam, Chairman and Executive Director of Asiaray, said, “Under this continued period of uncertainty, we are pleased to see that the Group remained a preferred advertising and media resource management partner in the industry under the ‘new normal’. Riding on our strong fundamentals, established reputation and pioneering Outdoor & Online (‘O&O’) New Media strategy, we have increased market penetration. We continued to upgrade the digital-driven solutions through combining Digital-Out-of-Home (“DOOH”) with O&O New Media Strategy (“DOOH+”), so as to enable advertisers and brands to tell their stories and strengths boundlessly, as well as offer a new dimension in the media placement for the industry. We are very pleased with the fruitful results, the revenue of DOOH+ advertising solutions in 2021 amounted to HKD547.7 million, contributing 24.0% of the total revenue.”

Business Review

The number of domestic flights increased progressively since the initial COVID-19 outbreak in Mainland China, despite the significantly reduced demand for international air transportation. During the Year, the revenue from the **Airport** segment remained stable, totalling HKD760.8 million, while the gross profit and

gross profit margin, which were at HKD243.4 million and 32.0%, respectively. The Group continued to explore and secure the rights to operate new media resources in various national airports. During the Year, the Group obtained the exclusive concession rights to operate media resources in the Longchuan Guangsong Airport in Yunnan, marking the Group's first step towards tapping the media resources of general-purpose airports, which are extremely numerous. Moreover, further to its partnership with the Shenzhen Baoan International Airport, the Group secured the exclusive concession rights to operate media resources in its newly built Satellite Concourse.

During the Year, the revenue from the **Metro Lines and Billboards** segment culminated in a delightful increase in revenue of 40.8% to HKD838.9 million, while the gross profit and gross profit margin, which were at HKD143.2 million and 17.1%, respectively. As DOOH has been renowned to be a major growth factor of the industry, the Group was appointed the exclusive media and advertising partner of Beijing Metro Line 17, and was entrusted with building the first digitalised media network for the entire metro line. The Group also further expanded its presence in the Greater Bay Area by securing the exclusive rights to operate the media resources in Shenzhen Metro Line 2 (Phase 3), 6, 8 (Phase 1) and 10. Regarding the overseas layout, the second stage of Singapore Thomson-East Coast Line (TEL), has been in operation since August 2021. As the TEL will open in stages, Asiaray's screens will, correspondingly, be programmatically available via related platforms to provide flexibility for advertisers and brands. In addition, the Group was granted the exclusive right to operate the media resources and the shops along the domestic section of the China-Laos Railway. This is the first international high-speed train line from China. The railway line starts from Kunming City in Yunnan Province in the north, then passes through the border ports before terminating at Laos capital, Vientiane. The railway is set to become an important link in the Trans-Asian Railway network, connecting countries such as Myanmar and Thailand and further extending to Singapore. The agreement places the Group in a favourable position to seize opportunities presented by the Belt and Road initiative.

The advertising venture with the Kowloon Motor Bus Co. ("KMB") and Long Win Bus Company Limited ("LWB") has proved to be the silver lining. Combined with the promising and resilient performance of others agency business, including the Shenzhen Baoan International Airport media resource agency business, as the source of recent fortunes, the **Bus and Others** segmental revenue surged by 155.7% to HKD685.5 million during the Year. Moreover, gross profit amounted to HKD45.2 million with gross profit margin at 6.6%.

Prospects

Asiaray, with its pioneering O&O New Media strategy, top-tier partnerships and mature media network, has laid a solid foundation to ride out various economic cycles. In the face of a complex and constantly changing geopolitical and economic environment, as well as instability created by the pandemic, the Group will remain vigilant yet also cautiously optimistic about its ability to elevate its business to the next level.

With respect to Mainland China, since the outbreak of the pandemic, the Group recognised the market had the potential to recover quickly and that local brands would emerge, requiring countrywide advertising solutions. Renowned for its mature technologies and superior media network, the Group is well-positioned to seize these new opportunities as well as enhance its existing partnerships in Mainland China, even amid stiff competition. The Group also attaches tremendous importance to optimising internal control. It will therefore seek to more accurately and prudently use resources, as well as further negotiate with

partners to enhance rental concessions, while maintaining stable operation amid the pandemic.

Mr. Lam concluded, “Capitalising on our industry strengths and shrewd insights into market trends, we will resolutely implement the ‘mega transport, multi-media and full ambience capability’ advertising solutions, maintain strong ties with advertisers and brands and keep abreast of and respond swiftly to their specific needs. Moving forward, the management pledges to promote the sustainable development of Asiaray and create long-term value for our shareholders.”

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About Asiaray Media Group Limited (stock code: 1993.HK)

Established in 1993, Asiaray is an out-of-home media company in Greater China with a strategic focus on mega transport advertising media management, including airport, metro line and high speed rail line. Currently, the Group’s business network covers nearly 40 cities in Greater China with media resources at over 31 airports (including exclusive concession rights at 26 airports) and a total of 27 metro lines in Mainland China also including the Singapore Thomson-East Coast MRT Line (TEL). Further, the Group was granted the exclusive advertising media resources in Guangzhou Shenzhen Hong Kong High Speed Railway (Hong Kong Section), the Hong Kong-Zhuhai-Macao Bridge (Zhuhai Port), KMB, LWB (bus exterior and bus shelter) and China-Laos Railway (Yumo Line). The Group is proactively engaged in programmatic advertising transactions with various ad-tech partners such as Google, The Trade Desk, Magnite and Hivestack in recent years.

Asiaray is also committed to investing in corporate social responsibility and environmental protection initiatives. The Company has been awarded the “Hong Kong Awards for Environmental Excellence (HKAEE)” and the “Hong Kong Green Organisation” for five consecutive years; and also named as a “Caring Company” for ten consecutive years.

For more details about Asiaray, please visit its official website: www.asiaray.com or follow the Group’s Wechat via the QR code below (ID: asiaray_airport or 雅仕維傳媒集團).



Media Enquiries

Strategic Financial Relations Limited

Heidi So	+852 2864 4826	heidi.so@sprg.com.hk
Vivian Cheung	+852 2114 2821	vivian.cheung@sprg.com.hk
Doris Ho	+852 2114 4916	doris.ho@sprg.com.hk
Website	www.sprg.com.hk	

Investor Enquiries

Asiaray Media Group Limited

+852 3153 1225 ir@asiaray.hk

